

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Division of Information

1945 SM
JUL 9 1940

1.94
Ad 45 SM
new no.



The Small Farmer Under AAA

Farm Program Open to Participation by All Farmers

The Administration has always held the position that the success of the agricultural programs depends upon cooperation in the necessary acreage adjustments by the greatest possible number of the Nation's farmers. Therefore, the various measures have been open to participation by large producers as well as by small ones. However, the national farm program contains many provisions designed especially to assist small producers.

Payments Limited to \$10,000

Beginning with the 1939 program, no total payment for any year to any person cooperating under the agricultural conservation program may exceed \$10,000. In the case of individuals, partnerships, or estates, the \$10,000 limitation applies to the total of the payments for each State, Territory, or possession; in the case of other producers, such as corporations, the limitation applies to the total of all such payments.

Increase in Small Payments

Payments of less than \$200 are increased proportionately according to the size of the payment. The following schedule for such increases is provided and fixed by the Agricultural Adjustment Act of 1938:

| <u>Payment earned</u> | <u>Amount of increase</u> |
|--------------------------|--|
| \$20 or less | 40 percent |
| \$21 to \$40 | \$8 plus 20 percent of amount over \$20 |
| \$41 to \$60 | \$12 plus 10 percent of amount over \$40 |
| \$61 to \$186 | \$14 |
| \$186 to \$200 | Enough to increase payment to \$200 |

Under the 1938 Agricultural Conservation Program, over 93 percent of the participating farmers earned payments of less than \$200.

Minimum Amount Which May Be Earned

Under the agricultural conservation program, any farmer may earn at least \$20 for complying with special crop acreage allotments and for carrying out soil-building practices. If the largest amount a farmer may earn through compliance with acreage allotments is less than \$20, the amount which he may earn for carrying out soil-building practices will be increased so that his total payment may be at least \$20.

Marketing Quotas

When marketing quotas are in effect, special provisions in the Agricultural Adjustment Act of 1938 benefit the small producer.

For example, a producer may market free all the wheat grown on his farm during the year if the normal production of the acreage planted is less than 100 bushels, all the corn grown on his farm during the year if the normal production of the acreage planted is less than 300 bushels, and all the cotton grown on his farm during the year if the actual production during that year is 1,000 pounds or less of lint cotton.

Tobacco producers may market free the actual production of their acreage allotments. The acreage allotments of small producers (except new producers) may be increased up to 20 percent, but not beyond an acreage which would normally produce 3,200 pounds of flue-cured tobacco, or 2,400 pounds of other kinds of tobacco.

General Benefits Available to All Farmers

There are general provisions included in the AAA farm program, besides conservation and parity payments to cooperating farmers, which operate to the advantage of all producers, whether large or small, and which afford equal rights and privileges. These include:

- Improved prices for crops because markets are not overloaded with surplus production;
- Loans on agricultural commodities;
- The right to vote in referendums on whether or not marketing quotas shall be in effect for any particular crop.
- Every producer of the commodity in question, no matter what his total production of the crop may be, is entitled to one vote.

Administration of Program by Elected Farmer-Committees

Each farmer who cooperates in the agricultural conservation program automatically becomes a member of the local county agricultural conservation association, and has the right to vote in the election of community committees and delegates to the county convention, where the county committee is elected. These committees administer the program locally, and have a direct influence on the formulation of farm programs.

#####